GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

STARRED QUESTION NO:79
ANSWERED ON:19.02.2009
MAKING AVAILABLE NON BRANDED MEDICINES
Rao Shri Kavuru Samba Siva

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the cost of brand building of Pharmaceuticals and the price paid by the consumers in the process;

(b) the action taken by the Government to protect the interests of poor and middle class patients especially from rural areas by providing non-branded medicines at reasonable prices;

(c) whether the Government proposes to formulate a policy to discourage brand building of Pharmaceuticals and provide alternative retail network to make available medicines at low prices; and

(d) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO PARTS fa) to id) OF THE LOK SABHA STARRED QUESTION NO.79 FOR ANSWER ON 19.02,2009 REGARDING MAKING AVAILABLE NON-BRANDED MEDICINES

(a) The prices of 74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order,1995 (DPCO,95) and the formulations based thereon are controlled in accordance with the provisions of the DPCO,95 by the National Pharmaceutical Pricing Authority (NPPA). The retail price of formulation is calculated by NPPA in accordance to the formula mentioned in Para 7 of the DPCO`95 wherein Maximum Allowable Post-manufacturing Expenses not exceeding 100% for indigenously manufactured scheduled formulations and not exceeding 50% of the landed cost for Imported formulations is allowed.

Prices of non-Scheduled formulations, i.e the drugs not covered under the Drugs (Price Control) Order, 1995 are fixed by the manufacturers themselves keeping in view the various factors like cost of production,marketing/selling expenses,R&D expenses,trade commission,market competition, product innovation, product quality etc.The Government takes corrective measures where the public interest is found to be adversely affected by fixing the prices of such non-Scheduled formulations under para 10(b) of DPCO`95.

(b) to (d): The Government is committed to protect the interest of poor and middle class patients specially from the rural areas by taking initiatives for making medicines available at reasonable prices.In the case of Scheduled formulations this is ensured by enforcing the provisions of DPCO`95 by NPPA. In the case of non-Scheduled formulations the Government can fix or revise the prices only in the cases where it is considered necessary to do so in the public interest.

As a supplementary non-statutory measure with a view to promote quality unbranded generic products the Department of Pharmaceuticals in association with Pharma Central Public Sector Undertakings (CPSUs) has launched Generic Drug Campaign for promoting sales of unbranded quality generic medicines at affordable prices.The Jan Aushadhi Generic Drug Stores have already been opened at Civil Hospital,Amritsar (Punjab) and Shastri Bhavan, New Delhi. More such stores are being opened soon in Punjab,Haryana and Rajasthan.Prices of the generic medicines sold in Jan Aushadhi Generic Drug Stores are cheaper in comparison of branded medicines. The Department of Pharmaceuticals has also requested all the State Governments to consider opening of Jan Aushadhi Generic Drug Stores in their states.The responses of some of the State Governments are encouraging.

In addition to the above,the Draft National Pharmaceuticals Policy 2006 proposes to promote the use of generic drugs and one of the methodologies proposed therein is fixation of Trade Margins, which are significantly high in the cases of certain generic formulations. The policy also proposes Public procurement and distribution of generic drugs through the public health system, free of cost quality certification to generic drug manufacturers etc. for promotion of generic drugs in the country.The Policy is under consideration of Group of Ministers (GOM).The GOM is yet to make its recommendations to the Cabinet.